

Message Text

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ORIGIN NEA-10

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TO AMEMBASSY JIDDA PRIORITY
INFO USINT BAGHDAD
AMEMBASSY DAMASCUS
AMEMBASSY KUWAIT

C O N F I D E N T I A L STATE 163683

FOR AMBASSADOR WEST FROM SOBER

E.O. 11652: GDS

TAGS: ETEL, SA

SUBJECT: ARAB BOYCOTT: TELECOMMUNICATIONS

REF: A) STATE 157290; B) 76 JIDDA 8378; C) 76 STATE 271122;
D) 76 STATE 224661

1. FCC DECISION TO APPROVE ITT WORLDCOM CIRCUITS TO PROVIDE
U.S.-SAUDI DIRECT COMMUNICATIONS LINK HAS TRIGGERED
CONCERN ON PART OF RCA GLOBCOM OFFICIALS THAT RCA'S RECENT
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SUCCESS IN IRAQ, KUWAIT AND SYRIA COULD BE JEOPARDIZED
AND THAT ONGOING EFFORTS TO WORK OUT SIMILAR RCA RELATION-
SHIP WITH SAUDI ARABIA COULD BE SERIOUSLY UNDERMINED.

2. WE HAVE SEEN NO INDICATION THAT IRAQ, KUWAIT OR
SYRIA IS LIKELY TO BACK AWAY FROM RECENT PRAGMATIC
DECISIONS TO REESTABLISH OPERATING RELATIONSHIPS WITH RCA

GLOBCOM; NOR DO WE THINK FCC DECISION ON ITT WORLDCOM APPLICATION SHOULD PROVE HONDRANCE TO CONTINUED RCA GLOBCOM EFFORT TO WORK OUT BOYCOTT-RELATED PROBLEMS WITH SAUDI ARABIA. AT SAME TIME, WE WISH TO PROVIDE RCA GLOBCOM ALL POSSIBLE DIPLOMATIC ASSISTANCE IN SUPPORT OF ITS ONGOING INITIATIVE WITH SAUDI OFFICIALS.

3. BRIEFLY, AS BACKGROUND TO RECENT FCC DECISION, FCC HAS FACED DIFFICULT POLICY DECISION OVER PAST 20 MONTHS ON

WHETHER OR NOT TO LICENSE ONE U.S. CARRIER (E.G., ITT WORLDCOM) TO PROVIDE DIRECT COMMUNICATIONS SERVICES TO THOSE COUNTRIES WHICH DENY ANOTHER U.S. CARRIER (I.E., RCA GLOBCOM) AN OPPORTUNITY TO COMPETE, ON BASIS OF BOYCOTT CONSIDERATIONS. GENERAL APPROACH IN THIS TIME FRAME HAS BEEN TO DELAY DECISIONS ON PENDING APPLICATIONS BY NON-BOYCOTTED CARRIERS. EFFECT OF THIS APPROACH MAY HAVE BEEN TO FACILITATE RCA GLOBCOM EFFORTS TO WORK OUT NEW RELATIONSHIPS IN IRAQ, KUWAIT AND SYRIA. HOWEVER, WE HAVE SEEN NO INDICATION THAT DELAY HAS RESULTED IN MORE POSITIVE RESPONSES BY SAUDI OFFICIALS TO RCA GLOBCOM INITIATIVES. TO THE CONTRARY, SAUDI RESPONSES AT TIMES HAVE INDICATED RESENTMENT AT WHAT THEY VIEW AS ATTEMPTED U.S. PRESSURE (BLACKMAIL) ON SAUDI GOVERNMENT TO MAKE EXCEPTION IN BOYCOTT ENFORCEMENT PRACTICES. IF LATTER HAS BEEN SERIOUS SAUDI CONCERN, RECENT APPROVAL OF ITT WORLDCOM APPLICATION
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COULD IMPROVE CLIMATE IN WHICH RCA GLOBCOM CONTINUES ITS EFFORTS TO REESTABLISH TELECOMMUNICATIONS RELATIONSHIP WITH SAUDI ARABIA. PAST REPRESENTATIONS BY EMBASSY ON BEHALF OF RCA GLOBCOM URGING GENERAL SAUDI EXEMPTION OF TELECOMMUNICATIONS FROM BOYCOTT RESTRICTIONS (CONSISTENT WITH PATTERN OF MOST OTHER ARAB COUNTRIES) HAVE BEEN APPRECIATED. BASIC ARGUMENTS IN FAVOR OF THIS POLICY ARE SET FORTH IN REFTELS C AND D; YOU MAY ALSO INFORM SAUDI GOVERNMENT THAT RECENT DECISION APPROVING ITT WORLDCOM APPLICATION INVOLVED DIFFICULT CHOICE WHICH ULTIMATELY TOOK APPROACH CONSISTENT WITH LONG-STANDING U.S. POLICY SUPPORTING UNRESTRICTED EXPANSION OF INTERNATIONAL TELECOMMUNICATIONS SERVICES WITHOUT REGARD FOR POLITICAL CONSIDERATIONS. DECISION APPROVING ITT WORLDCOM APPLICATION, OF COURSE, COULD BE SUBJECT TO PUBLIC OR CONGRESSIONAL CRITICISM AS ARGUABLY INCONSISTENT WITH OVERALL U.S. ANTI-BOYCOTT POLICY.

4. LARRY CODACOV, VICE PRESIDENT, INTERNATIONAL AFFAIRS, RCA GLOBCOM, IS LEAVING SHORTLY FOR SAUDI ARABIA WITH INTENT TO RENEW RCA GLOBCOM'S REPRESENTATIONS TO OFFICIALS OF THE SAUDI PPT MINISTRY. HE IS SCHEDULED TO ARRIVE

RIYADH EVENING OF FRIDAY, JULY 16. HE PLANS TO BE IN TOUCH WITH GORDON DANIELS BY PHONE ON MORNING OF SATURDAY, JULY 17 PRIOR TO FURTHER SUBSTANTIVE DISCUSSIONS WITH SAUDI OFFICIALS.

5. EMBASSY IS REQUESTED TO RENEW EFFORT THROUGH APPROPRIATE REPRESENTATIONS TO SAUDI OFFICIALS TO OBTAIN EARLY AND FAVORABLE SAUDI DECISION ON EXEMPTION OF TELECOMMUNICATIONS FROM BOYCOTT RESTRICTION. IN THIS REGARD, REQUEST YOU DELAY FURTHER REPRESENTATIONS PENDING DISCUSSION BY DANIELS WITH

CODACOV I ON HOW EMBASSY REPRESENTATIONS CAN BEST BE COORDINATED WITH RCA GLOBCOM'S OWN APPROACHES TO SAUDI CONFIDENTIAL

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